

The complaint

Mr M complains that Wise Payments Limited (“Wise”) revoked the guaranteed rate facility and when it was reinstated it failed to apply the guaranteed rate to his transfers resulting in financial loss due to fluctuations in the exchange rate received.

What happened

Mr M holds an account with Wise which he uses to transfer and exchange foreign currency. Wise offers a facility where a guaranteed exchange rate is given for a specified period of time.

On 16 July 2020 Wise gave a warning to Mr M regarding his account activity and said a limit may be applied to the guaranteed rate transfers if Mr M continued to set up multiple guaranteed rate transfers without the intention to complete them to get the best rate.

On 29 September 2022 Wise temporarily restricted the guaranteed rate facility due to this activity being seen on Mr M’s account.

On 20 October 2023 Wise removed Mr M’s guaranteed exchange rate facility for transfers as it appeared to it Mr M was taking advantage of this facility. It appeared Mr M was setting up multiple transfers for the same amount with a guaranteed rate without completing them and transfers with a worse exchange rate were being cancelled. Wise advised that this was in violation of its Terms and Conditions where:

- Section 15.6 states your Wise account should not be used for the purpose of gaining on currency conversion rates.
- Section 15.7 states you ought to not use your Wise account for this purpose, including the creation of multiple orders without the intention of completing them.
- Section 15.7 also gives Wise the right to cancel orders or provide limitations, if they detect you are using their services for this purpose.

Instead of getting the guaranteed rate Mr K would receive the mid-market exchange rate once it receives the funds.

On 19 November 2023 Mr M made a transfer without the guaranteed rate and as it took 12 minutes for the transfer to be processed the exchange rate changed and Mr M didn’t receive the amount he expected and so he contacted Wise about this. Wise confirmed that processing the transfer out may take up to two working days where the rate isn’t guaranteed and that it had removed the guaranteed exchange rate facility due to Mr M breaching its terms of use. Mr M raised a complaint with Wise about this.

Following this for reasons that are unclear Mr M’s guaranteed rate facility was reinstated. Mr M set up two transfers on 10 and 19 January 2024 and funded the transfers directly through his Wise account but didn’t receive the guaranteed rate at the time of setting up the transfers

but rather the mid-market rate despite Wise's app telling him the exchange rate is guaranteed and contacted Wise about this.

Wise explained that as he finish's setting up his payment it'll guarantee his rate for a certain time and that it is important you send your money to it right away and as long as it receives it on time you'll get that rate locked. It said it would always show you how long you have the guaranteed rate for when you start a transfer – on the last page where we show our bank details you'll also see the exact time when the rate expires.

Mr M explained to Wise that he was unable to see where it tells him the exact time the rate expires and that all it says is that the rate is guaranteed. Wise explained that Mr M can select "Guaranteed Rate" to view the time frame but that if you remain at one step of the transfer setup process for more than 30 minutes the guaranteed rate will refresh and that the guaranteed rate is not the same time frame for every transfer as it depends on the currency you are sending from. Mr M continued to have problems seeing the guaranteed rate time frame and brought his complaint to this service.

Wise says it applied restrictions to Mr M's account in-line with the terms of usage as it appeared Mr M was abusing the guaranteed rate feature. It says customers are informed at multiple points during transfer setup how long its rate is guaranteed for and provided screen shots showing this. As Wise's screenshot show that in both transfers the payment wasn't confirmed until sometime after Mr K set up the transaction and after its stipulated timeframe and so it says it applied the mid-market rate at the time.

One of our investigator's looked into Mr M's concerns but didn't think Wise had treated Mr M unfairly as it provided Mr M with sufficient warning that the continued making of multiple unfulfilled transfers under its terms and conditions isn't permitted and that Wise reserve the right to decide on its policies and we can't tell it how to run its business and so didn't think it was unreasonable for it to apply a restriction to Mr M's account in-line with this.

Furthermore, they didn't think Wise had made an error or were unreasonable in not providing the guaranteed rate to his transfers, as guaranteed rates aren't guaranteed indefinitely and are only guaranteed once a customer locks in the transfer upon set up.

Mr M disagreed with this and says at no stage was it confirmed that there was a stipulated timeframe to complete the transfer to get the guaranteed rate in the customer journey he has had and that Wise has failed to properly communicate in advance that he risks losing the guaranteed rate if not completing the transaction. Mr M has asked for an ombudsman's decision on the matter.

I issued my provisional decision on 2 September 2024. In my provisional decision, I explained why I was proposing to uphold Mr M's complaint. I invited both parties to let me have any further submissions before I reached a final decision and neither Wise or Mr M have added any new information thought Mr M has accepted my provisional findings on the matter.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In my provisional decision I said that:

"My role is to look at problems that Mr M has experienced and see if Wise has done anything wrong or treated him unfairly. My understanding is that overall Mr M has accepted that due

to the period of time that has lapsed since Wise provided him with a warning it may be of a case of him not remembering this and that Wise are entitled to run its business as it wishes and that it is entitled under its terms and conditions to apply restrictions to his account in line with this.

So the focus of my decision and what I think is the crux of Mr M's complaint is Wise failing to communicate that the exchange rate offered was no longer guaranteed if he didn't complete the transaction at the same time as setting it up. In particular, he is unhappy he didn't receive the original guaranteed rate offered for two transfers he set up on 10 and 19 January 2024.

It might be helpful for me to say here that, I don't have the power to tell Wise what exchange rates and facilities it has to offer to customers when using its services. These are commercial decision and not something for me to get involved with. We offer an informal dispute resolution service and we have no regulatory or disciplinary role – that's the role of the regulator, in this case the Financial Conduct Authority (FCA).

That said while I won't tell a business what products or services it needs to offer or how it offers its services, I would expect that certain important information it does provide to its customers when using its services - including what exchange rate they will be receiving - needs to be accessible to them and communicated in a clear, fair and not-misleading way.

And in Mr M's case having looked at all the information provided including screen shots provided by both Mr M and Wise when setting up a transfer I don't think it was.

I say this as Wise have provided conflicting information so I haven't been able tell how long a guaranteed rate will be provided before it is lost and the customer receives a refreshed guaranteed rate, mid-market rate or something else.

Wise's conditions relating to the guaranteed rates at 1.1 say:

"We offer automatic guaranteed rates for a minimum of 2 hours from the creation of your transfer order. For certain currencies, we offer a longer guaranteed period. We will notify you of the guaranteed rate and the guaranteed time period (the "Guaranteed Period") when you create your transfer."

When Mr M contacted Wise about not being able to see how long he had the guaranteed rate for Wise told him he can select "Guaranteed Rate" to view the time frame but that if you remain at one step of the transfer setup process for more than 30 minutes the guaranteed rate will refresh and that the guaranteed rate is not the same time frame for every transfer as it depends on the currency you are sending from.

This in my mind is very confusing and doesn't appear to be in-line with the two-hour minimum window from the creation of a transfer order as stated in the conditions above. Furthermore, on selecting the "Guaranteed Rate" Mr M says all he is shown is a graph – of which Mr M has provided a screenshot of - and isn't provided with a timeframe for completing the transaction.

Wise have provided screen shots of its customer journey that show the customer is told during the transaction process how long they have the guaranteed rate such as "Guaranteed rate (12h)". But Mr M has provided screenshots of the journey he has had which don't show any such thing no matter whether he completes the transaction in 1 minute or later.

Wise say Mr M is likely not able to see how long the rates are guaranteed for because he currently doesn't have access to the guaranteed rate and so every transfer he creates

moving forward is subject to the live mid-market rate and only gets locked in once it receives his money on the transfer. But the screen shots Mr M has provided shows him as receiving a rate described as "Guaranteed".

Wise says it cannot guarantee the exchange rate indefinitely for balance transfers so if the customer exits out of the transfer before confirming and paying for their balance transfer then that is the point where it will show them how long their rate is guaranteed for. It says it doesn't initially show how long the rate is guaranteed for balance transfers because it expects customers to confirm the transfer during setup allowing it to complete the transfer immediately.

I appreciate that rates fluctuate, and Wise aren't able to offer rates indefinitely, but Mr M has provided screenshots which show even if he exits out of a transfer before confirming and paying, he is still not shown how long the rate is guaranteed for and so can't be sure what rate he'll get if he completes the transaction or how long he has to complete the transaction.

So I currently don't think Mr M has been given clear, fair and not-misleading information about what exchange rate he is getting or what he needs to do to get the guaranteed exchange rate.

I can see that the transactions Mr M made on 10 and 19 January weren't completed within 30 minutes of the transactions being set up and so according to Wise the guaranteed rate would refresh, but I can't see where Wise made this clear this would happen.

This might well be due to a technical error that is affecting Mr M's customer journey, but whatever the case I don't think Wise has treated Mr M fairly and so I currently think Mr M's complaint should be upheld and that Wise should compensate Mr M £150 for the distress and inconvenienced suffered as a result of failing to make it clear to Mr M how long he had to complete the transactions in question or provide an adequate answer to his questions surrounding this and how the guaranteed rate is applied."

As neither party has provided any further evidence or arguments for consideration, I see no reason to depart from the conclusions set out in my provisional decision. It follows that I uphold this complaint.

My final decision

For the reasons I've explained, I uphold Mr M's complaint against Wise Payments Limited and direct it pay the fair compensation of £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 18 October 2024.

Caroline Davies
Ombudsman